



CONTACT:
Megan Pollock
Samsung Electronics America
Tel:202-379-6802
m.pollock@sea.samsung.com

Samsung Electronics Presents: “Internet of Things: Transforming the Future” June 21, 2016

Keynote remarks of Dr. Oh-Hyun Kwon, Vice Chairman and CEO, Samsung Electronics

Good Morning, and welcome to the Washington Post.

It's an ideal venue for our discussion today – about how technology is transforming the world. Transforming it, for a purpose.

Not just the way we live and work. But the way we protect our families and our health.

The way we improve our infrastructure and our environment.

And the way we use public policy to improve people's lives.

This is our Vision for Tomorrow – using technology to bring a better quality of life.

We're entering a new era: the age of the Internet of Things.

You may know IoT as a combination of:

- sensors
- processing power, and
- the Internet.

Technology-centered definitions like this are helpful.

But we prefer a much more human-centered definition of IoT. One that includes IoT's purpose, and significance for people.

For Samsung, IoT means bringing the physical and digital world together to improve quality of life.

People must be at the center of everything we do if we want to realize IoT's full potential.

IoT is already taking shape in the home, office and factory – creating smarter ways of living and working.

It is making us more efficient, saving us time to spend with our families, our businesses, our communities.

But IoT can do much more to meet essential human needs. Let's look at how one Samsung SmartThings user helped her family adjust to dementia.

[Vignette on Lewy Body Dementia plays]

This story raises a crucial point about bringing IoT to scale.

Today, IoT is changing individual lives.

But tomorrow, using IoT, we can give the same independence to millions of Americans.

We can keep people out of hospitals and nursing homes.

As our populations live longer, these benefits – and cost savings for society – cannot be ignored.

And healthcare is just one example.

One day, IoT could provide early warnings of earthquakes by crowd-sourcing data from motion sensors in smartphones – then shut down gas lines before the quake hits. Potentially saving thousands of lives.

IoT is also driving energy savings, which at large scale will add up to enormous benefits for society.

For example, Weatherbug is using thermostats and weather data to optimize the temperature and efficiency of your home. That kind of change makes a big difference, added up across millions of homes.

In fact, by 2020, IoT could cut carbon emissions by 9 gigatons annually. That's almost 19 per cent of global annual emissions. (Source: *Machine to Machine Technologies*, AT&T and Carbon War Room)

Our challenge is to unlock these benefits by bringing IoT to scale.

So how can we do this?

First, by learning how powerful IoT can be as a public policy tool.

Not only in healthcare or energy. But across many public sector challenges.

Let me show you an example.

[Vignette on bridge monitoring sensors plays]

At Samsung, we believe in thinking differently about solving problems with IoT.

Everyday objects can be transformed into solutions.

Trucks can become mobile data collectors, making our bridges, and our people, safer.

We just need the creativity to see these things from a new angle.

And we need to empower people around the world to do the same.

This is why we launched our Makers Against Drought competition.

Drought ignores national borders. So we issued a challenge to innovators around the globe: How would you use IoT to tackle drought?

The ideas poured in.

Let me show you a few examples.

[Vignette on Makers Against Drought competition plays]

Truly inspiring, isn't it?

I want to highlight one more benefit – IoT's economic potential.

Already, IoT is transforming entire industries.

What this means in practice is jobs and growth.

A recent study showed IoT can have a global economic impact more than \$11 trillion annually by 2025. (Source: *The Internet of Things: Mapping the Value Beyond the Hype*, McKinsey Global Institute)

Now that is a very compelling vision of tomorrow.

So how do we get there?

The good news is many of the building blocks of our IoT future are already in place.

In fact, Samsung built many of them.

Our starting point was to learn the lessons of the digital age so far.

We know that technology delivers best for our societies when it is:

- human-centered,
- open, and
- collaborative.

A human-centered approach is at Samsung's core. What do we mean by this?

Simply, technology must be designed with people at its core.

If it does not improve a person's life, they will not adopt it.

And to bring IoT to scale, it must be useful and improve lives across all of society.

A human-centered approach also means that technology for people must come from people.

Not just from Silicon Valley or Seoul but from everywhere.

So we must be open to innovation from all corners.

Which leads me to openness.

If we want innovators everywhere to embrace IoT, we must make sure IoT tools are open to them.

This means technologies that connect to each other.

For example, ARTIK is a powerful IoT platform that we have made available to developers large and small.

ARTIK is interoperable across common operating systems and wireless standards.

That means innovators can use ARTIK to create seamless IoT solutions.

You can learn more about ARTIK just outside this room.

Likewise, SmartThings – a Washington, DC startup we acquired in 2014 – is compatible with hundreds of IoT devices from a wide range of manufacturers.

We know that boundaries around technologies hold back innovation and scale. And innovation flourishes when the brightest minds can come together.

Which brings me to collaboration.

A collaborative approach will be vital to realizing IoT's vast opportunities – and addressing the challenges of bringing it to scale.

That means bringing together all sectors to be open – through voluntary standards – and by opening up more wireless spectrum.

We also need shared approaches to privacy and security.

At Samsung, our commitment to privacy-by-design and security-by-design is in all of our technology.

That's because, quite simply, security and privacy cannot be added after the fact.

That's why ARTIK has advanced security features built in.

Government and industry have already collaborated well to promote this principle. And we must continue to do so.

Now, to bring IoT collaboration to the next level – I would like to ask Doug Davis from Intel and Dean Garfield from the Information Technology Industry Council, to join me on stage.

Today, we are delighted to announce the formation of the National IoT Strategy Dialogue, to be run by Dean and his staff at ITI.

Samsung is proud to be a founding partner along with Intel and ITI.

[Doug Davis, Doug Davis, Senior Vice President and General Manager, Internet of Things Group, Intel Corporation: Thank you. Intel is pleased to be a co-founder of the National IoT Strategy Dialogue. Consistent with the goals of the pending DIGIT Act, this important initiative will develop industry recommendations for a National IoT Strategy. We look forward to collaborating with our fellow ITI members, other industry stakeholders and federal policy makers to help enable US IoT leadership.]

[Dean Garfield, President and CEO, Information Technology Industry Council: ITI is very excited to host this critically important initiative. Samsung, Intel, and our member companies, representing the biggest global names in tech, have been at the forefront of the evolution of IoT. Together, we will harness the inventive spirit and capability of these innovative companies and organizations to chart a clear path forward on IoT for US policy makers.]

[Back to Dr. Kwon]

We also look forward to hearing from Dean and Doug in our panel discussions later this morning.

I hope today's announcement shows again Samsung's deep investment in the US.

We have been here since 1978 and employ over 15,000 people.

And now I am excited to show how we are moving IoT to the center of our strategy.

I'm pleased to announce that Samsung is planning to spend \$1.2 Billion in US-centered IoT investments and R&D over the next 4 years.

This investment will be led by the Samsung Strategy and Innovation Center, the Global Innovation Center, and Samsung Research America, all of which are US-based.

Let me conclude with one crucial point.

Today's announcements are about determining the next steps for IoT.

They are not about the first steps.

That's because IoT is already happening all around us.

Conversations about IoT are already happening around the world – from kitchen tables to boardroom tables.

The National IoT Strategy Dialogue will help bring those conversations to Cabinet tables as well.

It also represents our deep conviction: we all need to start talking and thinking differently about IoT.

It's time to imagine the transformative potential of IoT for our societies – and learn how to achieve its human, social benefits at scale.

So this is my call to you today.

Let's move ahead together – towards an IoT with a human purpose: to improve lives, for real people, everywhere.

We hope you will come with us on this exciting journey.

Thank you very much.

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